

Signs of demand recovering as presales picked up last month: top developers

SOMLUCK SRIMALÉE
THE NATION

LEADING developers recorded high presale levels in the first five months of the year, a sign that demand is recovering, while large backlogs should lock in full-year revenue targets.

"The property market showed signs of recovering in May after the market dropped last year and grew only slightly in the first quarter, by less than 5 per cent," said Thai Condominium Association president Prasert Taedullayasatit, who is also managing director for condominiums at Pruksa Real Estate.

According to a survey by *The Nation*, listed property firms enjoyed strong growth in presales in the first five months compared with the same period last year.

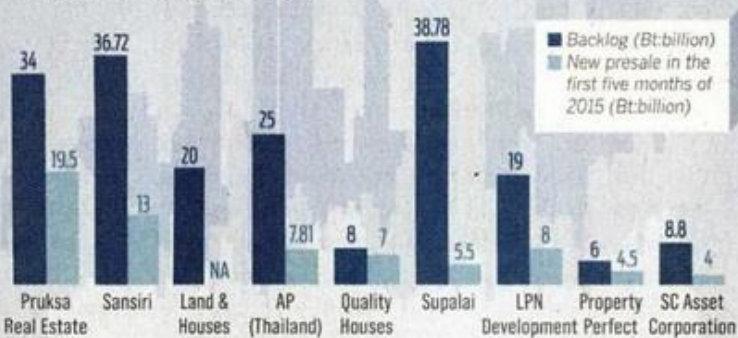
Pruksa reported record presales of Bt19.5 billion, while Sansiri recorded Bt13 billion. Sansiri plans to revised its presales projection for the first half to Bt16 billion, from an early estimate of Bt13 billion.

AP (Thailand) recorded presales of Bt7.81 billion in the first five months and targets Bt14.2 billion for the first half.

"We are confident of achieving our presales target of Bt14.2 billion in the first half after seeing demand for homes show a strong recovery since May," AP (Thailand) chief marketing officer Vittakarn Chandavimol said.

PRESALES RISING

The top nine listed property firms recorded strong presale growth in the first five months of this year thanks to rising demand to buy homes in the second quarter.



Source: The Nation

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High backlogs

Meanwhile, the major developers also have high backlogs of homes awaiting transfer to customers, some of which will be booked as revenue this year.

Pruksa Real Estate recorded a backlog worth Bt34 billion, Bt22.86 billion of which will be booked as revenue this year, said president and chief executive officer Thongma Vijitpongpan. This is a good indication that the company will reach its revenue target of Bt47 billion this year, he said.

Sansiri's backlog worth Bt36.72 billion is higher than that of other

listed property firms. It is also confident that the high backlog will ensure that its revenue hits the target Bt36 billion this year, up from an earlier estimate of Bt34 billion, company president Srettha Thavisin said.

Up to 60 per cent of its backlog will be booked as revenue this year, he said.

LPN Development, whose backlog is worth Bt19 billion, is confident that up to Bt14 billion of that will be booked as revenue this year. As a result, the company has set its revenue target at Bt16 billion, managing director Opas Sripayak said.